

Ameritech company is approached by a particular interLATA carrier with respect to a particular premises, the Ameritech company would submit its intraLATA bid to be complementary only with that carrier's proposal. Similarly, if a premises owner states that he has already selected an interLATA carrier, other carriers would not be notified.

Of course, the Ameritech companies would not seek to hinder any direct contacts between premises owners and interLATA carriers and would not try to prevent carriers from simultaneously bidding with other public telephone providers.

Commissions on interLATA calls paid to the premises owner by the selected interLATA carrier would belong entirely to the premises owner. Upon request, the Ameritech company would receive the commissions from the interLATA carrier and pass them on to the premises owner so that the premises owner may have the convenience of a single check, accounting separately for interLATA and intraLATA commissions.

Ending the exclusive routing of public telephone calls to AT&T will further both the letter and the spirit of the equal access and non-discrimination requirements of the decree. At the same time, those requirements would not be inconsistent with reasonable guidelines stating the normal basis for participation by interLATA carriers in these complementary bidding situations. The guideline proposed by the Ameritech companies is described in the attachment to this letter.

Some of the items in the attachment deal with legal and tariff questions and others relate to the quality of service available from Ameritech public telephones. Each Ameritech company's corporate identity and the Bell trademark appear on Ameritech public telephones, and end users would be misled if services from those telephones were not of the quality and value they have come to associate with those insignia. Furthermore, the end user would be confused and frustrated by any wide differences in using the same telephone for interLATA and intraLATA purposes, damaging the competitive position of the Ameritech public telephone as compared to those of other providers. Thus, for example, the Ameritech companies expect that carriers will not block "1+" coin-sent-paid calls.

The assumptions in the attachment are intended to apply to most situations, but would be subject to adjustment to meet the reasonable needs of premises owners in special circumstances. (Prisons, for example, usually forbid credit card and third-number calling by inmates.) Nevertheless, where a premises owner unreasonably insists upon substandard service, the Ameritech companies reserve the option to remove their public telephones from consideration. In addition, it should be noted that in the FCC's present inquiry into the operations of AOS carriers, many of the carriers have subscribed to a new Code of Responsibilities and have announced other improvements in their services, leading

one to expect that most parties who wish to be associated with BOC public telephones will elect to participate on the basis proposed by Ameritech. Any who do not will of course still be able to compete for the premises owner's selection by partnering with non-BOC providers of public telephones, which is just what they have been doing all along while BOC public telephones were being routed only to AT&T.

These procedures are intended to apply to Ameritech public telephones subject to the immediate pressures of competition. Ameritech still supports its billed-party-preference plan for other Ameritech public telephones, and most likely will not make any alternative or interim proposal before the Court has acted on the Department's January 29 motion. However, Ameritech does propose that any arrangements entered into as described in this letter be honored for whatever time period is agreed upon between the premises owner and the interLATA carrier, even if some other routing plan should be adopted or required in the meantime. For example, if an auction plan such as recently proposed by the GTE telephone companies were imposed by the Court or the FCC, Ameritech would argue that any premises owners who had previously chosen a carrier would be exempt until their agreement with the interLATA carrier had expired.

Even in advocating its billed party preference plan, Ameritech always has said that any of the alternatives, including carrier choice by the premises owner, would meet the requirements of the decree. Thus the premises owner choice plan described in this letter should not require a waiver or any action by the Department, and the letter has been sent for the purpose of complying with the Court's order requiring notice of changes. That order requires thirty days' notice unless the Department agrees to a shorter period. In view of the Department's efforts to end the default of public telephone calls to AT&T as soon as possible, the present proposal -- assuming that the Department has no objections to its merits -- would appear to be an appropriate instance for applying a shorter period. Accordingly, Ameritech requests the Department to advise Ameritech that it may proceed with the proposal before the thirty-day period has elapsed. Otherwise, the amendment will be put into effect after the thirtieth day.

Very truly yours,

Thomas P. Herten
/anb

cc: Luin Fitch, Esq.

ATTACHMENT 4



Southern Bell

Southern Bell Public Communications
400 Enterprise Drive
P.O. Box 30188
Charlotte, North Carolina 28230

January 11, 1995

Ms. Lori Lauer
Mecklenburg County Sheriff's Department
700 E. 4th Street
Charlotte, North Carolina 28202

Dear Lori:

In response to your request for additional information pertaining to Southern Bell's Inmate Telephone System, the following information is provided:

QUESTION # 1- Are there any types of calls you cannot pay commission on? If so, what types? How does this effect the overall commission rate?

RESPONSE: Southern Bell does not pay commission on calls to 800#s, 900#s, 976#s, 950#s, 411 (local information), 555-1212 (long distance information), 611 (Southern Bell repair), 780#s (Southern Bell toll free #s) and 911 calls.

QUESTION # 2- Can Southern Bell provide free calls at the intake center or jail from defendants to attorneys, public defenders or bondsman?

RESPONSE: Yes, Southern Bell can provide so-called "free calling" for the inmate, however since Southern Bell is prohibited by tariff from giving free service to anyone or any organization. Our procedure in these cases is to subtract the actual cost of these calls from the commission check each month. Even if another vendor says that they can provide free calls, they also take the cost of providing this "free" service into account as part of their overall expenses, and you as the telephone location provider will end up actually paying for the "free"

calling for the inmates. This option has always been available to inmate facilities served by Southern Bell in North Carolina, however none have elected to implement this option.

QUESTION #3- Is it necessary to connect to a live operator if the end user has a rotary dial phone?

RESPONSE: No; when the called party has a rotary dial phone, our automated system will give a voice prompt stating that if they have a

rotary dial phone they can respond with a verbal "YES" to accept the collect call or just hang up to reject the call.

QUESTION #4- Can Southern Bell flag or block employee or Sheriff Department numbers and notify Sheriff's Dept. if calls are attempted to these numbers? Are you able to provide an alert feature to immediately advise Sheriff's Dept.?

RESPONSE: Southern Bell can block calls from being made to Sheriff's Dept. employees telephone numbers. You can, on a daily basis or on an as needed basis, search the system data base to determine if attempts were made to call those numbers. Currently there is not an alert feature for immediate notification, however if this is a feature you want, we will present it to Science Dynamics for incorporation into the next system software release. Science Dynamics is very responsive to our requests for development of new system features.

QUESTION #5- Do you have a policy to contact end users whose acceptance of collect calls exceeds a set amount to allow them the option of blocking future calls?

RESPONSE: Southern Bell does not have a policy to contact the end users whose acceptance of collect calls exceed a set amount to allow them the option of blocking future calls. Each month the called party will receive a bill for the collect calls. From this notification of the cost they would have to determine the number of calls which they can accept each month. If in the future Mecklenburg County Jail elects to incorporate a debit or commissary system, we can control the dollar volume of total calling made by an inmate.

QUESTION #6- Do you provide 24 hour service-being flexible to solve any unique situation we may need assistance with?

RESPONSE: Yes. The normal repair procedure is for the customer to dial Southern Bell's repair number 611. The Repair Center has a complete list of numbers for 24 Hour call outs. Additionally, your staff will have the home numbers of your account team members for any after hours needs.

QUESTION #7- Can all satellite jails be networked into one computer to limit access to only trained, approved personell at that location?

RESPONSE: Yes we can. Each person who has a need to access the swystem will have a unique password for access. This also provides a record of who did what in the system.

QUESTION #8- Does Southern Bell carry only intralata calls? Do we have to choose another carrier for interlata calls?

RESPONSE: Currently Southern Bell only carries intralata calls and local calls. Effective July 1, 1994 interexchange carriers are allowed to carry both intra and interlata traffic. We would expect that we also will be allowed to carry both sometime in the near future. Keep in mind that 85 to 90% of the calls made from the jails are expected to be either local calls or intralata calls. Also, you may elect to piggyback on the N.C. State contract which is now paying 24% commission on interlata calls.

QUESTION #9- Can you provide a monthly report detailing the most active numbers being called? Can you provide a monthly report listing calls placed to or from each law enforcement agency- if same number is called from more than one jurisdiction? Can you provide a report of all calls for any time period needed for emergency situations?

RESPONSE: Yes, we can provide a report detailing the most active numbers being called. We cannot provide a monthly report listing calls placed to or from each law enforcement agency- if the call is placed from more than one jurisdiction. This can only be accomplished if you share data base information with the other agencies or jurisdictions involved. Yes, we can provide a report of all calls for any time period as needed for emergency situations.

QUESTION #10- How often, and what is the procedure you would advise us of new features/techniques for upgrading our system? Will you upgrade on request?

RESPONSE: As your Account manager it is my responsibility to advise you all new products and services available. If a new feature or software package is available and wanted by you it will be provided to you at no cost.

QUESTION #11- Will we have a specific company contact person?

RESPONSE: Yes. As your Account Manager I am your primary contact person.

QUESTION #12- What jails besides Charleston have PC based phone systems. How long have they been in effect? Is your PC based system one that the Sheriff Dept. can control and generate own reports including the type mentioned in previous questions?

RESPONSE: Tab #8 of the proposal lists all of the North Carolina and South Carolina systems, and there are more than 260 other inmate

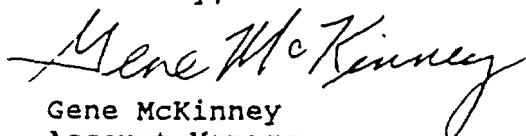
systems installed in the other BellSouth states. 58 of those 260 systems are the Science Dynamics CCTD Inmate Telephoine Systems similar to the system we are proposing for Mecklenburg County. The State of South Carolina has signed a contract with Southern Bell to install the CCTD system in all of their prison locations. We are filing a request with the North Carolina Public Utilities Commission on January 18 asking to be allowed to offer the SMDR feature effective on February 22, and we are confident that we will be given approval. With approval you will have the capability to generate your own reports.

QUESTION #13- What do you feel are the greatest advantages of using Southern Bell vs. a competitive private company?

RESPONSE: Southern Bell is a local company which has been in business longer than any of our competitors. Your account will be managed and maintained by very experienced personell who will provide you with a very high level of service. We have the absolute latest in technology and we will upgrade your system as needed at no cost to you. Southern Bell wants to serve all of the public and inmate telephones in the county; by allowing Southern Bell to provide the lucrative inmate telephones in the jails, we are able to offer a higher commission rate to all of the City and County public phones, and we are able to install phones in traditionally low usage areas by averaging in the high usage phones in the jails with those low usage phones. One contract covering all inmate and public phones will allow the best overall service for the entire community.

Please call me if you have any questions, or if I can be of further assistance.

Sincerely;

A handwritten signature in cursive script that reads "Gene McKinney". The signature is fluid and stylized, with the first and last letters of each word being capitalized and prominent.

Gene McKinney
Account Manager

Certificate of Service

I, Robert Aldrich, hereby certify that on January 11, 1996, a copy of the foregoing Reply of the American Public Communications Council, Inc. was sent by first-class mail, postage prepaid, to the following parties:

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By: Robert F. Aldrich
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